MIC

Form (2)

Sr. No. 4480

Dated 5.4.2013

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 572/2013 Date 5 April 2013

The Myanmar Investment Commission issues this Permit under section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. PATRICK O. NG

(b) Citizenship SINGAPOERAN

(c) Address 528 EAST COAST ROAD, # 20-04, SINGAPORE

(d) Name and Address of principal Organization URC (THAILAND) CO., LTD. 44/46 RAJPATTANA ROAD, KHWANG SAPANSUNG, KHET SAPANSUNG, BANGKAPI, BANGKOK 10240, THAILAND.

(e) Place of incorporation BANGKOK, THAILAND

(f) Type of business in which investment is to be made MANUFACTURING AND MARKETING OF FOOD PRODUCTS INCLUDING BISCUITS, WAFERS AND SNACKS

(g) Place(s) at which investment is permitted PLOT NO. B-6 AND B-7, MINGALADON INDUSTRIAL PARK, MINGALADON TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US$ 31.00 MILLION

(I) Period for bringing in foreign capital WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 31.00 MILLION

(k) Construction period 1 YEARS

(l) Permitted duration of investment 36 YEARS

(m) Form of investment JOINT VENTURE

(n) Name of the economic organization to be formed in Myanmar URC (MYANMAR) CO., LTD.

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၉၂/၂၀၁၃ ၂၀၁၃ ခုနှစ် [illegible]

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ (၁၃) ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. PATRICK O. NG

(ခ) နိုင်ငံသား SINGAPOREAN

(ဂ) နေရပ်လိပ်စာ 528 EAST COAST ROAD, # 20-04, SINGAPORE

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ URC (THAILAND) CO., LTD. 44/46 RAJPATTANA ROAD, KHWANG SAPANSUNG, KHET SAPANSUNG, BANGKAPI, BANGKOK 10240, THAILAND.

(င) ဖွဲ့စည်းရာအရပ် BANGKOK, THAILAND

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား ဘီစကွတ်၊ ဝေဖာစသည့် စားသောက်ကုန်ပစ္စည်း ထုတ်လုပ်ခြင်းနှင့် ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် B-6 နှင့် B-7၊ မင်္ဂလာဒုံစက်မှုဇုန်၊ မင်္ဂလာဒုံမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၃၁.၀၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရရှိသည့်နေ့မှ (၁) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၃၁.၀၀ သန်း နှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၁ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၆ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ဖက်စပ်လုပ်ငန်း

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် URC (MYANMAR) CO., LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-682/2013(4480)
Dated : 5th April 2013

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject: Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing and Marketing of Food Products including Biscuits, Wafers and Snacks" under the name of "URC (Myanmar) Co., Ltd."

Reference: URC (Myanmar) Co., Ltd. Letter dated (12.3.2013).

1. The Myanmar Investment Commission, at its meeting (11 /2013) held on (29-3-2013) had approved the proposal for investment in "Manufacturing and Marketing of Food Products including Biscuits, Wafers and Snacks"under the name of "URC (Myanmar) Co., Ltd." submitted as a joint venture between URC (Thailand) Co., Ltd. (95%) from Thailand and U Kyaw Win(5%) of the Republic of the Union of Myanmar.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, Section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VIII, Rule 48 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 36 (Thirty-six) years for commencing from the date of signing of the Lease Agreement for land by mutual agreement between URC (Myanmar) Co., Ltd. and Mingaladon Industrial Park Co., Ltd. At the end of the Lease Agreement,URC (Myanmar) Co., Ltd. shall transfer the leased land (immovable properties) to the lessor within 3 (three)months in good condition, ground damages having been refilled and repaired.

4. URC (Myanmar) Co., Ltd. shall provide the land use premium equivalent to the amount of US$ 2,820,240.96 (United States Dollar two million eight

hundred and twenty thousand, two hundred and forty and ninety-six cent only) in favour of Mingaladon Industrial Park Co., Ltd. in three installments as follows:-

(a) the first instalment of 10% (Ten) percent of the Land Use Premium amounting to US $ 282,024.09 (United States Dollar two hundred and eighty-two thousand, twenty-four and nine cent only) shall be paid on the date of signing of Sub-Lease Agreement.

(b) the second instalment of 50%(Fifty)percent of the Land Use Premium amounting to US $ 1,410,120.48 (United States Dollar one million four hundred and ten thousand, one hundred and twenty and forty-eight cent only) shall be paid to the Mingaladon Industrial Park Co., Ltd. within 30(thirty) days after signing of Sub-Lease Agreement. If URC (Myanmar) Co., Ltd. fail to pay in stipulated period Mingaladon Industrial Park Co., Ltd. shall have the right to terminate the Sub-Lease Agreement at its own discretion and the first instalment shall be forfeited.

(c) the final instalment of 40% (Forty) percent of the Land Use Premium amounting to US $ 1,128,096.39 (United States Dollar one million one hundred and twenty-eight thousand, ninety-six and thirty-nine cent only) shall be paid to the Mingaladon Industrial Park Co., Ltd. by the URC (Myanmar) Co., Ltd. either within 4 (Four) months after signing of the Sub-Lease Agreement or upon the Mingaladon Industrial Park Co., Ltd. issuing of the receipt whichever comes earlier, failing which the Mingaladon Industrial Park Co., Ltd. shall have the right to terminate the Sub-Lease Agreement at its own discretion and the first instalment and the second instalment shall be forfeited.

5. The annual rent for the land shall be US$ 17,626.51(United States Dollar seventeen thousand, six hundred and twenty-six and fifty-one cent

only) for 36 years calculated at the rate of US$ 0.30 per square meter per year of the land measuring 58,755.02 square meter (14.52 acres). The rate of rent shall be revised in view of prevailing land lease rates after 5 (Five) years period and increase of the rate shall not be more than 15 % of the previous rate.

6. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Section 27(a)(h)(i) and (k) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section-27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section-27(h), exemption or relief from customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for used during the period of construction of business;

(c) As per section-27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d)As per section-27(k), exemption or relief from commercial tax on the goods produced for export.

7. URC (Thailand) Co., Ltd. shall have to sign the Joint Venture Agreement with U Kyaw Win. URC (Myanmar) Co., Ltd. shall have to sign the Land Lease Agreement with Mingaladon Industrial Park Co., Ltd. After signing such Agreement, each of (5) copies shall have to be forwarded to the Commission.

8. URC (Myanmar) Co., Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. URC (Myanmar) Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

10. URC (Myanmar) Co., Ltd. has to apply Health Recommendation from Ministry of Health for food production. For exportation of food, URC (Myanmar) Co., Ltd. has to apply export recommendation from Ministry of Health, which is necessary for Export License issued from Ministry of Commerce and also apply for Health Certificate from Ministry of Health for shipment consignment.

11. URC (Myanmar) Co., Ltd. has to abide by Chapter X, Rule 56 and 57 of the Foreign Investment Rules for construction period.

12. As per Chapter X, Rule 59 of the Foreign Investment Rules extension of construction period shall not be granted more than once expect it is due to unavoidable events such as natural disasters, instability, riots, strikes, emergency of State condition, insurgency, and outbreak of wars.

13. As per Chapter X, Rule 61 of the Foreign Investment Rules, if the investor cannot construct completely in time during the construction period or extension period, the Commission will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.

14. The commercial date of operation shall be reported to the Commission.

15. URC (Myanmar) Co., Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

16. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal in accordance with

Chapter XI, section 24 of the Republic of the Union of Myanmar Foreign Investment Law and the investor has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 81 of the Foreign Investment Rules.

17. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XI, Rule 133 and 134 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(i) of the said Law, other than foreign currency.

18. URC (Myanmar) Co., Ltd. brings in foreign capital defined under Section-2(i) of the said Law, other than foreign currency in the manner stated in paragraph 17(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

19. URC (Myanmar) Co., Ltd. has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XI, Rule 137 and for transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen or a citizen-owned business in the State and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the

sufficient document in accordance with Chapter XVII, Rule149 of the Foreign Investment Rules.

20. URC (Myanmar) Co., Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

21. URC (Myanmar) Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. In addition, URC (Myanmar) Co., Ltd. shall responsible to abide by the Myanmar Environmental Conservation Law, rule & regulations under the Ministry of Environmental Conservation and Forestry.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of URC (Myanmar) Co., Ltd.

23. URC (Myanmar)Co., Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rules 77 and 78 of the Foreign Investment Rules.

(Soe Thane)
Chairman

URC (Myanmar) Co., Ltd.

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce

6. Ministry of Industry
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Environmental Conservation and Forestry
12. Ministry of Electric Power
13. Ministry of Industry
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Human Settlement and Housing Development
16. Director General, Directorate of Industrial Supervision and Inspection
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Director General, Department of Environmental Conservation
27. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)